# *East European Merchant Fleets*

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## Foreword

This publication discusses the size, performance, and operations of the international merchant fleets of Poland, East Germany, Bulgaria, Romania, Czechoslovakia, and Hungary as of January 1973 and prospects for future expansion. Because detailed data on operations are fragmentary, except for Poland and East Germany, many figures have had to be estimated. Statistics on ships on order are based largely on **World Ships on Order** (22 February 1973), a supplement to **Fairplay International Shipping Journal**.

Tonnages are in metric tons. Gross register tons (GRT), a measure of a ship's volume, is cubic capacity expressed in units of 100 cubic feet. Deadweight tons (DWT), a measure of a ship's carrying capacity in terms of weight, is the maximum tonnage that a vessel can carry, taking into account not only cargo but also bunkers, provisions, stores, and other items.

Because of rounding, components may not add to the totals shown.

# EAST EUROPEAN MERCHANT FLEETS

## SUMMARY

1. The East European holdings of merchant ships represent one of the fastest growing merchant fleets in the world. Since 1960 the carrying capacity of the overall fleet has grown by 350%. By the beginning of 1973 the fleet consisted of nearly 600 ships of 5.8 million DWT, compared with 12.7 million DWT in the Soviet fleet and 13.6 million DWT under the US flag. Rapid expansion has resulted in a young fleet, three-fourths of which is less than ten years old. By 1975, continued expansion is expected to increase the overall fleet by nearly 50%, about double the planned growth rate of the Soviet fleet. New shipping technology is planned during the 1975 expansion, including increased use of containers; roll on, roll off, ships;[1] and lighter-aboard-ship vessels.[2] In addition, large purchases of tankers are slated, especially by Bulgaria, Poland, and Romania, to meet growing requirements for seaborne petroleum trade.

2. Cargo liners, bulk carriers, and other dry cargo vessels make up 85% of the total DWT of the East European fleet while tankers account for only 15%, most of which are in the East German and Bulgarian fleets. The Polish and East German merchant fleets were the largest, comprising nearly 70% of total carrying capacity. Poland has by far the largest tonnage on order for delivery by 1975, followed by Bulgaria and Romania – which have the area's fastest growing fleets and contemplate large purchases of tankers. East German expansion has slowed, as foreign exchange deficits have forced a reduction of new purchases. The Czech and Hungarian fleets account for only 4% of the total fleet, and future expansion plans are limited.

1. Ro-Ro (roll-on, roll-off) vessels can be loaded with vehicles or dry cargo moved by vehicles through bow, stern, or side hatches, thereby obviating the need for conventional cranes and reducing turnaround time.
2. LASH ships are high-speed vessels which carry cargo-laden barges which can be offloaded at offshore anchorages, thus permitting vastly reduced turnaround times. Loaded barges can then be towed to inland destinations via inland waterways, reducing the need for transshipment to other modes of transportation.

STATINTL

Note: Comments and queries regarding this publication are welcomed. They may be directed to [redacted] of the Office of Economic Research, Code 143, Extension 7884.

3. The East European merchant fleet forms an integral part of the area's economy, providing expanding trade possibilities and increased foreign exchange earnings. In 1972 the fleet transported about 50 million tons of cargo. Three-fourths of the cargo carried by the fleet consisted of bulk items such as coal, petroleum, ores, and foodstuffs. Eastern Europe has made a concerted effort to increase the carriage of its own seaborne foreign trade aboard its own ships – thereby saving shipping costs – and by the beginning of 1973 one-half of the area's seaborne trade was carried by East European ships. Most foreign exchange earnings are derived from Eastern Europe's worldwide liner operations, which offer almost 70 scheduled routes. As the East European fleet expands and trade barriers are eased, it will become of increasing interest to the United States. Polish and Romanian liners currently call at US ports, and the East European fleet has been involved in the carriage of US grain to Communist countries. These contacts should increase with expanded East-West trade and with changes in US shipping and trade policies toward Communist countries.

## DISCUSSION

### Size and Composition

4. Following a period of rapid expansion during the 1960s, Eastern Europe's combined inventory of merchant ships in 1972 reached 597 vessels of 5.8 million DWT,[3] a 350% increase in carrying capacity over that of 1960. Cargo liners, bulk carriers, and other dry cargo vessels made up 85% of total DWT, whereas tankers accounted for only 15%, most of which were in the East German and Bulgarian fleets. The Polish fleet is the area's largest, with about 45% of total carrying capacity, followed by East Germany with some 25%. Overall fleet expansion is expected to continue through 1975. More than 2.7 million DWT are currently on order, nearly 50% of the size of the fleet, of which 1.4 million DWT are tankers and 1.3 million DWT are dry cargo ships, as indicated in the following tabulation:

3. See the Appendix.

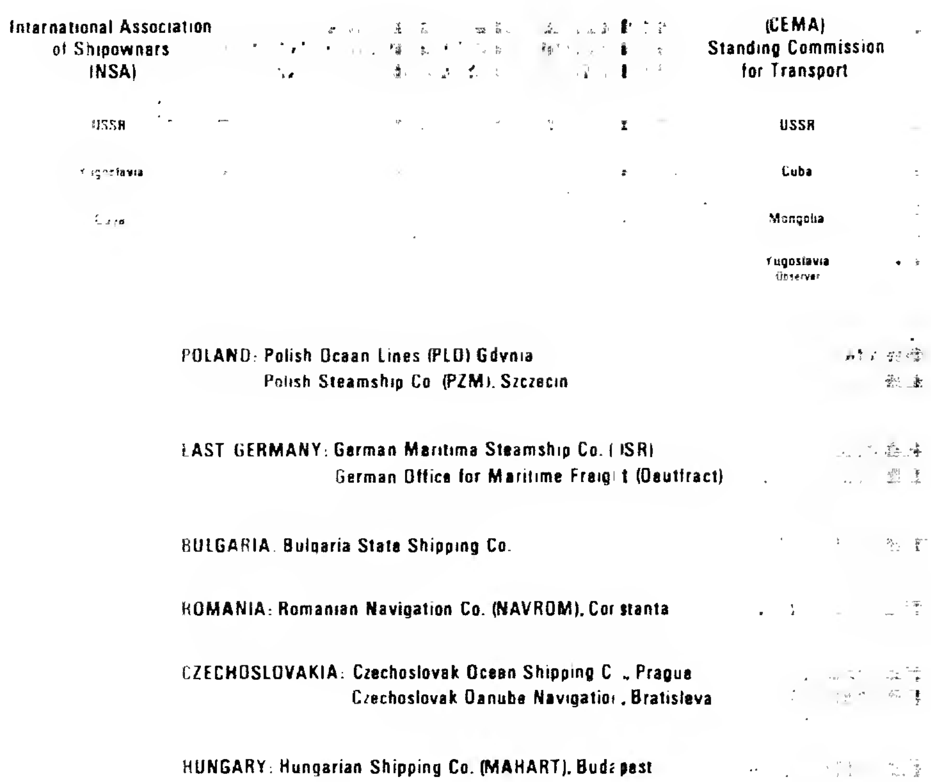
| | Total | | Dry Cargo | | Tanker | |
|---|---|---|---|---|---|---|
| | Thousand DWT of Ships on Order | Percent of Present Fleet Size | Thousand DWT of Ships on Order | Percent of Present Fleet Size | Thousand DWT of Ships on Order | Percent of Present Fleet Size |
| **Total** | **2,705** | **47** | **1,289** | **26** | **1,416** | **164** |
| Poland | 1,296 | 51 | 816 | 33 | 480 | 593 |
| East Germany | 257 | 18 | 257 | 25 | .... | .... |
| Bulgaria | 680 | 66 | 84 | 12 | 595 | 184 |
| Romania | 432 | 72 | 91 | 18 | 341 | 375 |
| Czecho-slovakia | 14 | 8 | 14 | 8 | .... | .... |
| Hungary | 26 | 55 | 26 | 55 | .... | .... |

Poland has by far the largest amount of tonnage on order -- 1.3 million DWT -- followed by Bulgaria and Romania, both of which have large purchases of tankers slated. Although tankers on order represent significant additions to Eastern Europe's total tanker fleet, they will still account for about one-fourth of the combined fleet in 1975. When tankers on order are delivered to Bulgaria, Poland, and Romania, their holdings may outstrip that of East Germany and drop it to fourth place behind these countries.

5. Three-fourths of Eastern Europe's overall fleet is less than ten years old, a result of growing purchases of new ships during the 1960s. The small Hungarian fleet is the newest. Nearly 90% of the ships of the Czech and Romanian fleets are less than ten years old. The Romanian fleet is the fastest growing in the area, whereas most of the Czech fleet has been formed since 1960. Three-fourths of Poland's large fleet is less than ten years old, as Poland has traditionally placed the largest orders for new tonnage added to East European fleets. In East Germany, declining investment in new ships over the past few years has increased the average age of the fleet, about 56% of which is now less than ten years old. Bulgaria has the oldest fleet in Eastern Europe, but recent expansion second only to that of Romania has decreased the fleet's average age. About 48% of Bulgaria's fleet is now less than ten years old.

## Organization and Administration

6. Each of the East European merchant fleets is managed by autonomous state enterprises (see the chart). Cooperation among the countries and with Yugoslavia and the USSR has had mixed success. Under




**The Administration of East European Merchant Shipping**

the Standing Commission for Transport of the Council for Mutual Economic Assistance (CEMA), planning for the transport of foreign trade has been fostered. Coordination of fleet activities through the Moscow-based Freight Coordination Bureau (BUROTRANS) has had the greatest impact in the allocation of cargoes to be transported, but in other areas, such as the standardization of ship types, cooperation has proved less successful.

7. In 1970 the East European fleets, that of Yugoslavia, and some Soviet shipping companies formed the International Association of Shipowners (INSA). Patterned after Western associations of shipowners and councils of shippers, INSA was set up to represent members' technical, operational, and documentary interests in international shipping. It was created, in part, to circumvent restrictions placed on CEMA by Western

shipping organizations on the grounds that CEMA was closed to non-Communist companies. Theoretically, INSA is open to non-Communist shipping companies, although only East European and Soviet shipping companies are among its members. INSA applied for a consultative status with United Nations Conference on Trade and Development (UNCTAD) but was granted only observer status as a non-governmental organization. INSA has also requested consultative status with the International Maritime Consultative Organization (IMCO).

### Operations

8. Nearly 75% of the 50 million tons of cargo transported by the East European fleets in 1972 consisted of bulk cargoes such as coal, petroleum, ores, and food moving aboard chartered tramp vessels. Most of the foreign exchange earnings from East European seaborne operations, however, are generated by liner services -- advertised scheduled voyages of dry cargo ships carrying consignments of general cargo -- as these services usually acquire high-value low-bulk cargoes. In 1972, 69 lines were operated to most areas of the world, mainly by Poland, East Germany, and Bulgaria, as shown in the following tabulation:

| | Number of Lines | Estimated Percentage of Fleet Capacity in Liner Services | Estimated Thousand Tons of Cargo Carried |
|---|---|---|---|
| East European fleets | 69 | 38 | 10,300 |
| Poland | 32 | 44 | 5,100 |
| East Germany | 17 | 48 | 3,000 |
| Bulgaria | 8 | 21 | 1,300 |
| Romania | 4 | 8 | 300 |
| Czechoslovakia | 3 | 53 | 400 |
| Hungary | 5 | 13 | 200 |
| USSR | 36 | 14 | 7,489 |

At present, four lines serve the United States. Poland has three lines to ports on the East Coast, the Gulf Coast, and the Great Lakes, and Romania operates one to the Gulf Coast.

#### *Poland*

9. The Polish merchant fleet is the largest and most advanced in Eastern Europe. Having emerged from World War II with 27 ships of

115,000 DWT, the Polish fleet by the beginning of 1973 consisted of 258 ships of 2.5 million DWT, nearly 45% of the total DWT of East European fleets. Polish Ocean Lines (PLO) – mainly responsible for Polish liner services -- controlled about 150 ships of 1.1 million DWT, and the Polish Steamship Company (PZM) – the agency which controls the tramp fleet of bulk carriers – operated 108 ships of 1.4 million DWT. Finally, 16 ships of 100,000 DWT are chartered to the Chinese-Polish Shipbrokers Company (CHIPOLBROK), a joint shipping company controlled by Poland and the People's Republic of China.

10. Poland is allocating two-thirds of its current merchant marine budget for fleet expansion. During the 1975 plan period, the Polish fleet is expected to increase by 1.3 million DWT, to 3.8 million DWT, of which nearly 520,000 DWT had been added by 1972. Emphasis will be on the acquisition of bulk carriers and tankers to ensure greater participation by Poland's fleet in the growing movement of bulk cargoes through its ports. Among current shipyard orders, bulk carriers account for more than 70% of total dry cargo tonnage, and ships destined for liner services represent 20% of total new additions, as shown in the following tabulation:

| | Total | | 1973 | | 1974 | | 1975 | |
|---|---|---|---|---|---|---|---|---|
| | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT |
| **Total** | **53** | **1,296** | **19** | **354** | **21** | **506** | **13** | **436** |
| Dry cargo | 46 | 816 | 17 | 249 | 18 | 370 | 11 | 197 |
| Bulk | 20 | 590 | 6 | 172 | 8 | 280 | 6 | 138 |
| Part container | 17 | 159 | 7 | 50 | 5 | 50 | 5 | 58 |
| Other | 9 | 68 | 4 | 27 | 5 | 40 | .... | .... |
| Tanker | 7 | 480 | 2 | 104 | 3 | 136 | 2 | 240 |
| Sulfur tanker | 3 | 26 | 1 | 10 | 2 | 16 | .... | .... |
| Crude tanker | 4 | 454 | 1 | 94 | 1 | 120 | 2 | 240 |

11. Poland currently owns only four tankers totaling 81,000 DWT, but a large expansion is under way to meet increased petroleum seaborne trade.[4] Tankers on order for delivery by 1975 equal nearly 500,000 DWT,

4. Poland signed an agreement to purchase 900,000 tons of crude oil from Iran through 1975.

one of the largest additions planned among East European fleets. Three 120,000-DWT tankers are on order from West Germany, one for delivery in 1974 and two in 1975. In addition, Bulgaria is currently constructing twenty-four 100,000-DWT tankers, of which Poland may receive nine after 1975.

12. Poland's total seaborne foreign trade in 1972 reached 35 million tons, about one-third of total foreign trade and nearly 90% of all trade with non-CEMA countries. About three-fourths of seaborne trade was with Europe, the principal trading partners being Italy, the USSR, Finland, and France. Exports -- primarily coal and coke -- accounted for nearly 70% of total seaborne trade.

13. Total cargo transported by the Polish merchant fleet reached 21.3 million tons in 1972, up from 11.3 million tons in 1965. In the same period, carriage of Polish seaborne foreign trade by Polish ships rose from 8.1 million to 16 million tons, about 45% of total seaborne foreign trade. In addition, the Polish fleet has been active in the lucrative carriage of foreign cargoes -- non-Polish goods carried by the Polish fleet between non-Polish ports. This trade -- a major earner of foreign exchange for Poland -- reached 4 million tons in 1972, of which PZM carried 60% and PLO 40%. PLO's foreign operations generated more revenues, however, as most liner cargoes are high-value commodities, compared with the high-tonnage, low-value bulk items, such as coal, hauled by PZM. Finally, Polish ports are used as transfer points for goods originating in landlocked Czechoslovakia and Hungary. In 1972, this trade reached 4.4 million tons, 1.3 million tons of which were eventually carried by Polish ships. Although these transit goods were equally split between bulk and general cargo, the Polish fleet primarily carried general cargo.

*Tramp Operations*

14. The Polish Steamship Company is responsible for Poland's tramping fleet, which consists largely of bulk carriers and tankers. In 1972, PZM carried 16.2 million tons of cargo, 85% of which was in Poland's seaborne trade and the remainder in foreign interport cargoes. Coal accounted for about one-half of the total, while phosphates, apatite, and other ores represented another 40%. The main commodities were coal to Japan, Finland, Denmark, Italy, Spain, and Ireland; sulfur to the Netherlands, Italy, Greece, and Tunisia; and urea and sulfur to India. Return cargoes included rock phosphate from Morocco; iron ore from Sweden, Spain, Algeria, Norway, and India; iron ore or bauxite from Australia to the continent; and apatite from the Soviet Union.

15. The major portion of Polish investment in new ships through 1975 will be allocated to PZM, as the share of bulk cargoes carried by Polish vessels has not kept pace with the increased volume of this type of cargo handled in Polish ports. The emphasis on the development of the bulk fleet will be a sharp change from previous policy, under which investment in liner services far outdistanced that in bulk carriers. By 1975, PZM's fleet probably will grow to 138 ships of 2.4 million DWT, compared with 108 ships of 1.4 million DWT in 1972.

16. New ship technology is to be emphasized during the 1975 plan. One oil-bulk-ore (OBO) carrier of 108,000 DWT is scheduled for completion in 1974-75 -- coinciding with the initial operation of a new bulk terminal in Gdansk – and four dry bulk carriers of 52,000 to 55,000 DWT for coal, ore, or grain are currently in service. PZM may get four more 55,000-DWT ships and three Danish-built 52,000-DWT ships for the bulk trade by the end of 1975. The expected growth in long-distance bulk shipments, such as coal from Poland to Japan, forms the economic rationale for Poland's interest in large, flexible bulk carriers such as the OBO. Because of the lack of dry bulk cargoes on return voyages, the carriage of crude oil from the Persian Gulf to Poland or Western Europe by flexible OBOs is financially attractive. In the interim, to earn revenues, Poland's largest bulk carriers have, after taking coal to Japan, carried an array of dry bulk cargoes on return voyages from Australia to Western Europe – usually wheat, bauxite, or coal.

*Liner Services*

17. Polish Ocean Lines, the agent for Poland's wide-ranging liner network, is foremost among Communist steamship companies and a leader among liner companies of all flags. PLO operates 32 lines to most areas of the world, 23 under the sole direction of PLO and 9 operated jointly with other Communist and non-Communist steamship companies. Three liner routes serve North America -- one each to US ports on the East Coast and the Gulf Coast and one to US and Canadian ports on the Great Lakes. PLO expects that the United States will increase the number of ports open to Polish vessels, permitting expansion of Poland's liner services to North America. At the beginning of 1973, PLO had 20 of its 150 ships committed to its American Division.

18. PLO carried 5.1 million tons of cargo in 1972 – one-half in Poland's seaborne foreign trade, one-third in foreign cargoes, and the remainder in transit cargoes. Planned expansion will concentrate on improving existing services rather than opening new routes. The introduction

of new shipping technology such as Ro-Ro ships and lighter-aboard-ship (LASH)[5] vessels is planned and should enable PLO to improve overall liner services and increase its share of the carriage of Poland's seaborne foreign trade by 1975. Deliveries of new ships for liner services are expected to reach 300,000 DWT by 1975, bringing PLO's fleet to 1.4 million DWT.

19. Poland has made only modest inroads into international maritime container traffic since PLO inaugurated service to the United Kingdom in 1966. Lack of specialized container ships probably has limited overall growth in this field, as most of Poland's container traffic is still carried on conventional ships.

20. Nearly one-half of Poland's seaborne container trade consists of Polish exports to the United States, but only part is carried aboard Polish vessels, chiefly in the Atlantic Coast container service, which began in 1968. Although PLO did not add any container vessels to its US services in 1972, the first two of five semi-container ships are scheduled to be introduced on the Great Lakes route by 1974. By 1975, other new container ships may be added to liner services to US ports on the East Coast and the Gulf Coast.

21. PLO should have 17 ships with partial container capacity in operation by 1975. The introduction of these new vessels will coincide with completion of new container facilities at Gdynia, as well as the creation of new rail routes to ten inland container terminals in the main industrial regions of the country. Plans envision containerization of more than 10% of general cargo by 1975, or about 500,000 tons annually. In the more distant future, cooperation with major world container companies is being considered, and semi-container carriers will be replaced by full container ships, for which initial designs already have been approved.

*East Germany*

22. East Germany's fleet was the second largest in Eastern Europe in 1972. Its 141 ships of 1.4 million DWT accounted for one-fourth of total DWT, whereas its tanker fleet – 12 ships of 371,000 DWT -- was Eastern Europe's largest in terms of carrying capacity. Liner operations are controlled by the German Maritime Steamship Company (DSR), while

5. Poland may seek licenses from US firms, which have developed the concept, to construct LASH vessels. Initially, the LASH vessels will probably be used on PLO's West Africa line, with later service to India and possibly the United States. Such a service to the United States might permit consolidation of the three PLO services to the United States into a single Gulf service whose principal port of call would be New Orleans.

tramping and the bulk carrier fleets are managed by the German Office for Maritime Freight (Deutfracht). At the end of 1972 the DSR fleet of 114 ships equaled nearly 780,000 DWT, while Deutfracht controlled 27 ships of 630,000 DWT.

23. During 1966-70, additions to the East German fleet totaled more than 530,000 DWT – a 70% increase over 1965 - but most acquisitions were second hand vessels. Future fleet expansion is expected to taper off. East German concern over foreign exchange deficits limited net ship acquisitions during 1971-72 to only 110,000 DWT and kept ships on order for delivery through 1975 to only 257,000 DWT, none of which are known to be tankers,[6] as shown in the following tabulation:

| | Total | | 1973 | | 1974 | | 1975 | |
|---|---|---|---|---|---|---|---|---|
| | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT |
| Dry cargo | 25 | 257 | 23 | 246 | 2 | 11 | .... | .... |
| Bulk | 2 | 76 | 2 | 76 | .... | .... | .... | .... |
| Part container | 13 | 127 | 13 | 127 | .... | .... | .... | .... |
| Other | 10 | 54 | 8 | 44 | 2 | 11 | .... | .... |

Should the trend in tanker acquisitions continue through 1975, East Germany's tanker fleet will probably fall to fourth place behind Bulgaria, Poland, and Romania, all of which have placed large tanker orders for delivery by 1975.

24. In 1972 the East German merchant fleet transported 10.3 million tons of cargo – 7.1 million tons of which was carried between European ports – including almost two-thirds of East Germany's total seaborne foreign trade. Of the 10.3 million tons, about 5.5 million tons consisted of imports, and more than 4 million tons represented foreign interport cargoes, a significant earner of foreign exchange. Exports accounted for very little of the cargo carried by the fleet. Bulk items, mainly imports of raw materials and food from the USSR, accounted for three-fifths of the cargo, and manufactured and piece goods made up the remainder, as shown in the following tabulation:

6. Unconfirmed sources indicate that two 150,000-DWT tankers will be obtained from the USSR some time after 1975.

| | Million Tons | | |
|---|---|---|---|
| | Total | DSR | Deutfracht |
| **Total cargo carried by East German fleet in 1972** | **10.3** | **4.7** | **5.6** |
| Bulk | 6.2 | 0.7 | 5.5 |
| Timber | 0.4 | 0.4 | .... |
| Oil | 2.3 | Negl. | 2.3 |
| Other bulk | 3.5 | 0.3 | 3.2 |
| Other | 4.1 | 4.0 | 0.1 |
| Manufactured goods | 2.3 | 2.3 | .... |
| Piece goods | 1.8 | 1.7 | 0.1 |

25. Deutfracht's bulk carrier operations handled 5.6 million tons of cargo in 1972, mostly in short-range tramping. There is some carriage to Africa and the Americas, however, and substantial carriage of petroleum from the Middle East to the Netherlands, West Germany, Rostock, and Poland. Most shipments were handled from the following ports to Rostock: apatite from Murmansk, iron ore concentrates and petroleum products from the Black Sea, coal from Soviet Baltic ports, and ores from Scandinavia and South America for transit partners and foreign customers.

26. Liner services are more important to East Germany than to Poland and earn significant amounts of foreign exchange. DSR's liners transported 4.7 million tons in 1972, mostly between foreign ports. DSR has 17 liner services, of which five are operated jointly with other countries. Scheduled service includes routes to Scandinavia, the United Kingdom, East and West Africa, the USSR, Mediterranean areas, India, Pakistan, Bangladesh, Southeast Asia and the Far East, and Central and South America. There is currently no service to North America. Several services are operated as joint ventures: West Africa (UNIAFRICA, with Poland and the USSR), East Africa (BALTAFRICA, with Poland), South America (BALTAMERICA, with Poland and the USSR), Cuba (CUBALCO, with Cuba, Poland, and Czechoslovakia), and Egypt (with Egypt).

27. The use of containers in East German maritime operations has been modest, although a major container terminal at Rostock is planned for completion in 1974. The first scheduled container service started in November 1968 from Rostock to the British port of Tilbury using two converted conventional liners capable of carrying 32 20-foot containers. Hamburg was added soon afterward, and conventional ships were replaced by four small full container coastal vessels of the **Boltenhagen** class – 780-DWT vessels capable of carrying 39 20-foot containers. In November

1971 a new variant, the **Warin** class with a capacity of 56 20-foot containers, began to be produced and five were built in 1972. In 1971 these container ships began to be used on the Rostock-Hamburg-Hull line, where conventional liners had been in use since 1964. East Germany has also introduced two new semi-container ships of the **Karl Marx** class – 13,100 DWT, capable of carrying 240 20-foot containers - on its Far East liner service. Eight more of these vessels are under construction in domestic shipyards. Finally, the first two timber carriers of the **Neuhausen** class -- 4,400 DWT, capable of carrying 122 20-foot containers -- were introduced in 1972 between East Germany and the Middle East. Five more are to be added by 1975.

28. Preparations for the opening of Ro-Ro traffic between Rostock and Finland are under way. Construction of a Ro-Lo facility in Rostock was expected to be completed in October 1973, and construction of Ro-Ro ships has started. Moreover, like Poland, East Germany is studying the LASH concept, but this latest development in merchant shipping operations is not expected to be introduced until after 1975.

### *Other East European Fleets*

29. The combined fleets of Bulgaria, Romania, Czechoslovakia, and Hungary totaled 198 ships of 1.8 million DWT in 1972. Although small, both the Bulgarian and Romanian fleets have grown rapidly, the Romanian capacity expanding by nearly 200% and the Bulgarian by about 70% during 1966-70. In addition, Bulgaria's tanker fleet is second only to East Germany's, and Romania's is slated for a rapid expansion during the 1975 plan. By 1975, Bulgaria is expected to have the largest tanker fleet in Eastern Europe, with Romania in second place. The Czech and Hungarian fleets have both expanded steadily over the years, but together still represent only 4% of the total DWT of the East European fleets.

#### *Bulgaria*

30. In 1973 the fast-growing Bulgarian fleet – operated by the Bulgarian State Shipping Company (NAVBULGAR) in Varna and the Bulgarian Tanker Shipping Company in Burgas – ranked third in Eastern Europe with 106 ships of about one million DWT. Bulgaria's tanker fleet -- 18 ships of 323,000 DWT – was second only to East Germany's. During 1966-70 the total DWT of the Bulgarian fleet grew by nearly 70%, second only to that of Romania. Although the Bulgarian fleet increased by only 10% during the first two years of the current plan, 680,000 tons, or 66% of the fleet's current size, is on order for delivery through 1975, as shown

in the following tabulation. Because Bulgaria has the oldest fleet in Eastern Europe, however, retirements should significantly reduce the net growth of the fleet.

| | Total | | 1973 | | 1974 | | 1975 | |
|---|---|---|---|---|---|---|---|---|
| | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT |
| **Total** | **18** | **680** | **6** | **210** | **8** | **315** | **4** | **154** |
| Dry cargo | 6 | 84 | 3 | 35 | 2 | 26 | 1 | 23 |
| Bulk | 2 | 33 | 1 | 10 | .... | .... | 1 | 23 |
| Other | 4 | 52 | 2 | 26 | 2 | 26 | .... | .... |
| Tanker | 12 | 595 | 3 | 175 | 6 | 289 | 3 | 131 |

31. In the future, Bulgaria will continue to expand its tramp fleet. Several large Bulgarian-built ore carriers, colliers, and tankers are under construction. Nearly 600,000 DWT of tankers are on order for delivery by the end of 1975, the largest of any East European country and nearly 90% of Bulgaria's planned additions to its entire fleet. If all of the planned tanker tonnage is added to the Bulgarian fleet by 1975, it will form Eastern Europe's largest tanker fleet. Included in planned tanker deliveries are a 94,500-DWT tanker from Poland and three 75,000-DWT vessels from Japan. Work will begin soon on 25,000-DWT bulk carriers and 100,000-DWT tankers at Varna for the domestic fleet and for export.

32. Bulgaria's seaborne trade equaled about 15 million tons in 1972, 80% of which was carried by the Bulgarian fleet, the highest percentage of any of the East European fleets.[7] About four-fifths, or 12 million tons, were imports, including coal, petroleum, and apatite from the USSR, sugar from Cuba, phosphates from Africa, and asphalt from Albania. Some 15% of the Bulgarian cargo carried by the fleet in 1972 consisted of liner cargoes, equally divided between imports and exports. In 1972, 8 lines were operated, mainly in the Black Sea and Mediterranean, but also to the United Kingdom, Western Europe, Cuba, North Vietnam, and the Far East. Several new joint liner services with the USSR serving Asia and Africa are planned.

33. New joint container services, inaugurated under a CEMA agreement, have been organized and were to be put into operation in 1973. These will link Varna and Burgas with Odessa, Ilichevsk, Kherson, and other Black Sea ports. Bulgarian ports are being expanded to handle ships capable

7. The Bulgarian fleet also carried some 2 million tons of cross-trade cargo in 1972.

of carrying 300 containers. The first Bulgarian container ship -- the small coastal vessel **Elena** capable of carrying 90 containers as well as general cargo – was delivered in 1972 by Bulgarian shipbuilders and placed in a regular service between Bulgaria and the USSR. Plans call for a container wharf at Varna as part of a major port expansion.

*Romania*

34. Romania's fleet, administered by the Romanian Navigation Company (NAVROM), is Eastern Europe's fastest growing merchant marine. Currently the area's fourth largest fleet with 61 ships of nearly 600,000 DWT -- including three tankers totaling some 90,000 DWT – the fleet grew by about 330,000 DWT, or nearly 200%, during 1966-70. The 1975 plan calls for the fleet to be expanded by a total of 770,000 DWT, which may be somewhat optimistic. During the first two years of the 1975 plan, the fleet has grown by 100,000 DWT. More than 430,000 DWT is currently on order for delivery by 1975 (as shown in the tabulation below), 72% of the fleet's present size and the largest projected percentage increase among East European fleets. Most of the new tonnage is slated for the tanker fleet, which would make Romania's tanker inventory second only to Bulgaria's by 1975.

| | Total | | 1973 | | 1974 | | 1975 | |
|---|---|---|---|---|---|---|---|---|
| | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT | Number | Thousand DWT |
| **Total** | 17 | 432 | 7 | 55 | 7 | 359 | 3 | 18 |
| Dry cargo | 13 | 91 | 7 | 55 | 3 | 18 | 3 | 18 |
| Part container | 9 | 54 | 3 | 18 | 3 | 18 | 3 | 18 |
| Other | 4 | 37 | 4 | 37 | .... | .... | .... | .... |
| Tanker | 4 | 341 | .... | .... | 4 | 341 | .... | .... |

35. Romania's seaborne trade consists largely of imports of raw materials such as crude oil, ores, and phosphates, and exports of petroleum products, machinery and equipment, and chemicals. In 1970 the Romanian fleet carried 2.8 million tons of cargo, only 27.5% of total seaborne trade. Current plans call for this share to increase to 45% by 1975, largely on the basis of tanker acquisitions. Altogether the fleet carried 4.4 million tons of cargo in 1970, including 1.6 million tons of foreign cargoes.

36. Romania's liner fleet is small. Scheduled services include routes to the United States – initiated in 1972 -- the Middle East, Western Europe, Latin America, and calls at Poti in the USSR and to Pakistan. Plans call for the opening of services to Africa, the Persian Gulf, and the Far East.

*Czechoslovakia and Hungary*

37. At the beginning of 1973, Czechoslovakia's merchant fleet amounted to 13 ships of 170,000 DWT, while Hungary's fleet amounted to 18 ships of only 47,000 DWT. Together, these fleets account for less than 4% of the DWT of the East European fleet and consist entirely of dry cargo ships. Both fleets have expanded steadily, but are not likely to become very large in the near future. Additions for the remainder of the 1975 plan will be small, but long-range forecasts call for an expansion of the Czech fleet to between 750,000 and 1 million DWT by 1980. Hungary has two 12,900-DWT dry cargo ships on order from the USSR for delivery in 1973.

38. Hungary's seaborne trade in 1972 equaled 2.4 million tons distributed as follows: Polish ports, 964,000 tons; Yugoslav ports, 867,000 tons; Hamburg, 156,000 tons; East German ports, 144,000 tons; Romanian ports, 98,000 tons; Soviet ports, 89,000 tons; and other ports, 53,000 tons. Hungarian ships carried some 467,000 tons in 1972, most of which were transit cargoes. The 200,000 tons of Hungarian trade (128,000 tons of imports and 72,000 tons of exports) carried by the fleet amounted to less than 10% of total seaborne trade. Czech ships transported about 900,000 tons in 1972, including some 450,000 tons in Czech foreign trade.

39. Hungary plans to expand its service in the eastern Mediterranean and to introduce a LASH service from the Danube. Hungary offers five liner services in addition to its Danube river-sea line. These operate to the Near East, North Africa, Europe, India, and South America. Czechoslovakia operates three liner services: from Poland to African and Indian ports, to Cuba (CUBALCO, a joint line with Poland and East Germany), and from Belgium and West Germany to South Africa, Iraq, and India.

# APPENDIX

## EAST EUROPEAN MERCHANT FLEETS[1]

| | 1965 | | 1970 | | 1972 | |
|---|---|---|---|---|---|---|
| | Number of Ships | Thousand DWT | Number of Ships | Thousand DWT | Number of Ships | Thousand DWT |
| **Total** | **375** | **2,919** | **541** | **4,931** | **597** | **5,796** |
| Poland | 167 | 1,299 | 231 | 2,024 | 258 | 2,541 |
| East Germany | 92 | 774 | 132 | 1,306 | 141 | 1,417 |
| Bulgaria | 60 | 548 | 100 | 927 | 106 | 1,024 |
| Romania | 30 | 171 | 47 | 497 | 61 | 597 |
| Czechoslovakia | 9 | 105 | 12 | 140 | 13 | 170 |
| Hungary | 17 | 23 | 19 | 36 | 18 | 47 |
| **Dry cargo ships** | **346** | **2,476** | **506** | **4,178** | **560** | **4,931** |
| Poland | 161 | 1,196 | 226 | 1,929 | 254 | 2,461 |
| East Germany | 82 | 630 | 123 | 1,015 | 129 | 1,046 |
| Bulgaria | 49 | 389 | 83 | 670 | 88 | 702 |
| Romania | 28 | 133 | 43 | 386 | 58 | 506 |
| Czechoslovakia | 9 | 105 | 12 | 140 | 13 | 170 |
| Hungary | 17 | 23 | 19 | 36 | 18 | 47 |
| **Tankers** | **29** | **443** | **35** | **753** | **37** | **865** |
| Poland | 6 | 103 | 5 | 95 | 4 | 81 |
| East Germany | 10 | 144 | 9 | 291 | 12 | 371 |
| Bulgaria | 11 | 159 | 17 | 257 | 18 | 323 |
| Romania | 2 | 38 | 4 | 111 | 3 | 91 |

1. Data are as of 31 December. Including only ships of more than 1,000 GRT of the following types: general cargo, tanker, bulk cargo, container ship, and timber carrier.

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# EAST EUROPEAN MERCHANT FLEETS

## SUMMARY

1. The East European holdings of merchant ships represent one of the fastest growing merchant fleets in the world. Since 1960 the carrying capacity of the overall fleet has grown by 350%. By the beginning of 1973 the fleet consisted of nearly 600 ships of 5.8 million DWT, compared with 12.7 million DWT in the Soviet fleet and 13.6 million DWT under the US flag. Rapid expansion has resulted in a young fleet, three-fourths of which is less than ten years old. By 1975, continued expansion is expected to increase the overall fleet by nearly 50%, about double the planned growth rate of the Soviet fleet. New shipping technology is planned during the 1975 expansion, including increased use of containers; roll on, roll off, ships;[1] and lighter-aboard-ship vessels.[2] In addition, large purchases of tankers are slated, especially by Bulgaria, Poland, and Romania, to meet growing requirements for seaborne petroleum trade.

2. Cargo liners, bulk carriers, and other dry cargo vessels make up 85% of the total DWT of the East European fleet while tankers account for only 15%, most of which are in the East German and Bulgarian fleets. The Polish and East German merchant fleets were the largest, comprising nearly 70% of total carrying capacity. Poland has by far the largest tonnage on order for delivery by 1975, followed by Bulgaria and Romania – which have the area's fastest growing fleets and contemplate large purchases of tankers. East German expansion has slowed, as foreign exchange deficits have forced a reduction of new purchases. The Czech and Hungarian fleets account for only 4% of the total fleet, and future expansion plans are limited.

1. Ro-Ro (roll-on, roll-off) vessels can be loaded with vehicles or dry cargo moved by vehicles through bow, stern, or side hatches, thereby obviating the need for conventional cranes and reducing turnaround time.
2. LASH ships are high-speed vessels which carry cargo-laden barges which can be offloaded at offshore anchorages, thus permitting vastly reduced turnaround times. Loaded barges can then be towed to inland destinations via inland waterways, reducing the need for transshipment to other modes of transportation.

3. The East European merchant fleet forms an integral part of the area's economy, providing expanding trade possibilities and increased foreign exchange earnings. In 1972 the fleet transported about 50 million tons of cargo. Three-fourths of the cargo carried by the fleet consisted of bulk items such as coal, petroleum, ores, and foodstuffs. Eastern Europe has made a concerted effort to increase the carriage of its own seaborne foreign trade aboard its own ships -- thereby saving shipping costs -- and by the beginning of 1973 one-half of the area's seaborne trade was carried by East European ships. Most foreign exchange earnings are derived from Eastern Europe's worldwide liner operations, which offer almost 70 scheduled routes. As the East European fleet expands and trade barriers are eased, it will become of increasing interest to the United States. Polish and Romanian liners currently call at US ports, and the East European fleet has been involved in the carriage of US grain to Communist countries. These contacts should increase with expanded East-West trade and with changes in US shipping and trade policies toward Communist countries.

## DISCUSSION

### Size and Composition

4. Following a period of rapid expansion during the 1960s, Eastern Europe's combined inventory of merchant ships in 1972 reached 597 vessels of 5.8 million DWT,[3] a 350% increase in carrying capacity over that of 1960. Cargo liners, bulk carriers, and other dry cargo vessels made up 85% of total DWT, whereas tankers accounted for only 15%, most of which were in the East German and Bulgarian fleets. The Polish fleet is the area's largest, with about 45% of total carrying capacity, followed by East Germany with some 25%. Overall fleet expansion is expected to continue through 1975. More than 2.7 million DWT are currently on order, nearly 50% of the size of the fleet, of which 1.4 million DWT are tankers and 1.3 million DWT are dry cargo ships, as indicated in the following tabulation:

3. See the Appendix.